

## DEPARTMENT OF HEALTH SERVICES

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July 2, 1990

Letter No.: 90-62

TO: All County Welfare Directors  
All County Administrative Officers

SUBJECT: TREATMENT OF PAYMENTS MADE TO ARMED SERVICES PERSONNEL EXPOSED TO  
AGENT ORANGE

History

Public Law 101-201, signed December 6, 1989, exempted Agent Orange payments (resulting from the product liability suit) from consideration as income or property for Medi-Cal eligibility. Payments are retroactive to January 1, 1989, and were initiated in March 1989 to qualifying veterans.

Agent Orange payments originate from a fund created by the manufacturers which is administered by the Agent Orange Veteran Payment Program. The program is not part of the Veterans Administration or Social Security Administration. Qualifying veterans will receive annual or semi-annual payments for six years; survivors of qualifying veterans will receive a single payment.

Procedures

Effective August 1, 1990, these Agent Orange payments are to be considered exempt as income in the month received and may not be used to compute the Medi-Cal share of cost (SOC). The payments are exempt as property to the extent the funds are retained and kept identifiable. If the funds have been commingled with other monies, it is the applicant/beneficiary's responsibility to maintain records or other means of distinguishing the Agent Orange payments. All interest earned on these payments must be considered unearned income in the month received and be used to compute the SOC.

The applicant/beneficiary is responsible for verification of these payments by providing grant award letters, claim forms or other documents. If the applicant/beneficiary can not produce such documentation, the county shall assist them by obtaining a written release. Send the request to:

Agent Orange Veteran Payment Program  
P.O. Box 110  
Hartford, CT 06104  
1-800-225-4712

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Counties were instructed in the Electronic Mail (EMC2 #DHS 90036) of March 13, 1990, to identify and flag Agent Orange cases. All counties now must contact all applicants/beneficiaries of these flagged Agent Orange cases.

Any Agent Orange payments previously counted as income are to be exempted, so the SOC must be adjusted retroactively. The SOC should be revised as stated in Title 22, CCR, Section 50653.3 and Medi-Cal Eligibility Manual Procedures, Section 12C. If applicable, rescind any discontinuances due to excess property resulting from such payments and issue retroactive Medi-Cal cards with a correct SOC. This review of flagged cases must be completed within one month (30 days) of implementation.

As soon as an Agent Orange case is brought to the county's attention, or when reopening a case closed due to excess property since March 1989, either because a new application has been submitted or because the case is known to the county to be an Agent Orange case, or when conducting a redetermination, review the case for Agent Orange payments.

If you have any questions regarding this letter, please call Gail Schifsky at (916) 327-5586 or ATSS 8-467-5586.

Sincerely,

ORIGINAL SIGNED BY

Frank S. Martucci, Chief  
Medi-Cal Eligibility Branch

cc: Medi-Cal Liaisons  
Medi-Cal Program Consultants